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### **Using 'Sustainability' to Market U.S. Foods In Europe**

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**Report Highlights:**

This report provides information and analysis for U.S. food and agricultural exporters on the topic of 'sustainability.'

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## Using ‘Sustainability’ to Market U.S. Foods In Europe

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## Section 1 – Executive Summary

*The European ‘sustainability’ movement is amorphous and presents both opportunities and threats to exporters of U.S. food and agricultural products. Sustainability also has marketing and policy implications that are in some instances closely related. To provide a conceptual framework that is useful to U.S. exporters, this report focuses on European Union (EU) policy initiatives, provides ‘fact sheets’ on government and private initiatives in selected EU Member States, and highlights U.S. products that might benefit from emphasizing sustainability in marketing efforts.*

The 27 countries of the EU have, to varying degrees, cultivated the concept of sustainability for the past two decades and the influence of the movement is now being felt more fully in food and agriculture. Austria, Denmark, France, Germany, the Netherlands, Sweden, and the United Kingdom are leading the sustainability discussion in Europe and their governments are promoting a wide range of voluntary sustainability labels and programs. Spain also has hot button sustainability concerns, such as fisheries, and is becoming an increasingly competitive supplier of sustainable fruits and vegetables. Central and eastern EU members, such as Hungary, are not experiencing a ground swell of consumer sentiment on sustainability but do stand to benefit from marketing sustainable products in wealthier EU markets.

At a broader EU-policy level, there is sustainability legislation for biofuels. Although U.S. legislation addresses sustainability criteria, sales of U.S. soybeans have been impaired because of the way European certification processes are being applied. EU legislation is also expected soon for biomass used in the energy sector. While there is not currently EU-wide sustainability legislation for foods, the EU is considering guidance on ‘environmental foot printing’ to allow consumers to more easily compare products.

For most large European food retailers, sustainability has become a component of their overall marketing strategy. As a business practice, European food processors and retailers are moving toward private sustainability certification, which includes criteria that are applied throughout the food chain. In addition, European retailers have introduced successful in-store private labels that highlight sustainable production. U.S. exporters and producers are increasingly being told that sustainability certification is a commercial requirement for doing business in Europe. The complexity and cost of private certification schemes vary and, in some instances, certifying bodies have raised fees dramatically once they have achieved wider market recognition (e.g., seafood). In response, some U.S. commodity groups are developing their own sustainability criteria and programs to substitute for private certification. Building acceptance among European retailers and food manufacturers remains a significant marketing constraint for U.S. industries developing their own sustainability standards.

Aside from policy and marketing constraints, the European sustainability movement has the potential to increase demand for U.S. products. Because the United States has world-class environmental regulation and enforcement, there exists a real opportunity to highlight the sustainability of U.S. products sold to Europe. Within this context, one challenge is very limited knowledge about which aspects of U.S. sustainability are most marketable in Europe and how these ‘levers’ vary among European countries.

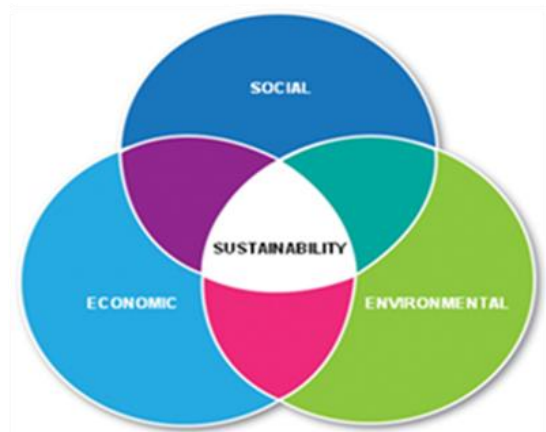
## Section 2 - Sustainability in Europe – Introduction for Food & Feed Marketers

Since the 1980s, sustainability has become a buzzword with varying definitions and meanings. In 1987, the World Commission on Environment and Development's [Brundtland Report](#) coined the most widely recognized definition: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." At the 2005 World Summit, the United Nations (UN) portrayed sustainability as being built on "three pillars" of environmental, social equity and economic demands.

Sustainability is now a well established topic in Europe and within the European market. An increasing number of companies in nearly every category are developing and introducing their own sustainability strategies to meet consumer, business-to-business, and regulatory demand. In general, for a product to be credibly sold as sustainable, a balance between social, economic and environmental impacts needs to be documented and verified.

For agriculture, the European Commission has introduced requirements for biofuels and biofuel feedstock that include sustainability certification. These were implemented in varying ways by individual EU Member States over varying periods of time. Despite the sustainability of U.S. soybean production, exports of soybeans for biofuel use have decreased since the introduction of biofuel sustainability certification. The take-away lessons for U.S. food exporters are, first, while there are not currently sustainability rules for foods at the EU-level, the potential for regulation exists (such as 'footprinting', which is discussed below); and, second, the market requirements being placed on suppliers are changing and need to be addressed proactively.

### Three Pillars of Sustainability



The influence of sustainability movement is felt throughout the entire food chain, with even minor ingredient suppliers being asked to participate. Europe's food retail sector is relatively concentrated and the top 10 firms account for a high percentage of sales, especially in countries where sustainability is an important marketing consideration. Sustainability-centered marketing campaigns and products are being used to achieve a competitive advantage and most large agricultural, food and food processing companies in Europe now include sustainability in their mission statements and strategic planning. European retailers are requiring more and more food products and ingredients to be certified as having been produced or harvested in a sustainable manner, including those coming from the United States.

'Sustainability' is used both defensively and offensively in food marketing. Driven by NGOs, and to counter negative campaigns, agricultural, forestry, fishery, and food companies have established voluntary sustainability programs for their products. These programs may cover wide ranging issues, including: environmental concerns like greenhouse gas savings; land use; water use; social issues such as fair and healthy treatment of farm workers; or economic issues like sourcing of regional products to strengthen Europe's rural areas.

Unlike in North and South America, there is little consideration given in Europe to the sustainability potential of new production technologies, such as genetically engineered (GE) crops. In contrast, European policy makers and NGOs loosely equate organic production with sustainability and organic products are marketed as sustainable per se. Spain is an exception, where both the government and industry advocate vocally for the important role that technological innovation can play in sustainable production.

Because the term sustainability is used to sell everything from toothpaste to dog food, the term risks becoming devalued or, at the very least, becoming a source of consumer confusion. As an example of the cacophony of sustainability labels and claims, Austria, a country of eight million, officially recognizes 22 sustainably-based labels for dairy products alone. It is safe to say that Austrian consumers are familiar with only perhaps a few of these. Similarly, for producers and marketers, there are so many sustainability initiatives available and in use in Europe, signing up for all of them is impossible. In this complex business environment, *U.S. firms exporting to the EU should be informed about current trends in sustainability marketing and business practices in their target markets.*

## Section 3 - EU Policies and Initiatives

### EU Institutions

The EU is an economic and political union of 27 member states operating through a complex system of supranational institutions and intergovernmental processes. Important EU institutions in the formulation of sustainability policy include the European Commission, the European Council, and the European Parliament.

Within the European Commission, DG Agriculture, DG Environment, DG Climate-Action, and DG Energy all play leading roles in designing and implementing sustainability proposals. DGs Agriculture and Environment focus on resource issues such as carbon, water, and biodiversity. The mission of DG Agriculture is to promote the sustainable development of Europe's agriculture and to ensure the well-being of its rural areas. Sustainable production is defined as an agricultural sector which is able to maintain viable production throughout the territory of the EU and which at the same time contributes to key environmental goals, including the protection of natural and cultural resources and the achievement of successful climate change mitigation and adaptation.

The European Commission is co-chairing [the European Food Sustainable Consumption and Production Round Table](#), which began as an industry initiative. The objective of this round table is to help consumers and other stakeholders to make informed choices by providing them with accurate and understandable information on relevant product characteristics, including environmental performance. This will be done by the development of a common framework that facilitates environmental assessments.

## **Sustainability in the EU**

Sustainability, sustainable production, and environmental issues are a growing concern among EU policymakers, who view sustainable production as a competitive advantage, especially as consumer awareness of the environment continues to grow. NGOs are an important source of pressure on policy makers, often claiming to be the 'voice of the people.'

EU policy makers have expressed their desire that communication and marketing on sustainability be clear, understandable, consistent, and allow consumers to compare similar products based on sustainability criteria. In recent years, the EU has introduced sustainability criteria for biofuels, which has prompted the question of why criteria do not also exist for food and feed production.

In general, the European Commission follows the UN by including environmental, social, and economic criteria to define sustainability. According to the Commission, the biggest challenge for the agricultural sector will be to balance the need for Europe to provide its share of global food supplies while at the same time making long-term improvements in biodiversity, landscape, soil, water, and air quality together with resilience to climate change. These goals are reflected in the EU's broad agricultural legislative proposal, [Common Agriculture Policy post 2013](#).

## **Biofuels**

In the EU, the Renewable Energy Directive (RED) sets a 10 percent minimum target for renewable energy consumed in the transport sector, and a 20 percent target for all energy consumed in the EU by 2020. The transport goal is to be achieved by all EU Member States, and it drives the demand for biodiesel and ethanol. U.S. soybeans are an important feed stock for EU-biodiesel production and U.S. exports of ethanol have increased substantially in the past few years.

In order to count toward member state renewable fuel use targets, or receive any incentives, biofuels must meet certain sustainability criteria. The RED lays out specific sustainability requirements, including minimum greenhouse gas (GHG) emissions reductions, land-use criteria, and economic and social criteria such as adherence to International Labor Organization conventions. The RED entered into force on June 25, 2009, and was to be transposed into national legislation by December 5, 2010. Implementation and enforcement by EU countries is uneven but large buyers, such as Germany, do require sustainability certification. Other large buyers, such as Spain, have not enacted sustainability requirements, but plan to do so in 2013, over two years behind schedule.

The RED creates a multi-layered framework in which member states have the freedom to implement their own system of proving compliance with the EU's sustainability criteria but that system may only be applicable within that particular member state. At another level, there are European Commission approved sustainability certification schemes that must be accepted by all 27 member states. The diversity in Member State approaches, the Commission's approval of voluntary EU-wide certification schemes, and a reluctance to negotiate bilateral agreements with trading partners creates a maddening scenario for exporters and purchasers of biofuels and biofuel feedstock.

## Foot printing

In 2003 and in 2010, the European Commission was tasked with considering a common methodology to assess the environmental impact of products. In the September 2011 document titled, '[Roadmap to a Resource Efficient Europe](#)', the Commission indicated it will establish an approach that would allow EU Member States and the private sector to assess, display, and benchmark the environmental performance of products, services, and companies, and to provide better information on the environmental footprints of products to prevent misleading claims and to refine eco-labeling schemes.

The EU is considering guidance on the marketing use of environmental foot printing to ensure that consumers are not misled and can compare similar products on the basis of their impact on the environment. The EU sees other benefits to this approach, including encouraging environmentally responsible actions by industry, creating value for EU products, and supporting the single EU market.

Some Member States are moving forward on developing domestic approaches and the Commission hopes to avoid creating a situation where there are a host of different requirements. Internationally accepted approaches are not generally considered to be strong enough, consistent enough, nor prescriptive enough to substitute for sustainability standards being implemented in Europe. Emphasis is being placed on comparability, not flexibility.

After analyzing the existing methodologies, the Commission drafted a [methodology guide](#) and conducted a pilot test with some EU and foreign companies. The pilot program identified important gaps in experience and data that need to be addressed. In 2013, the Commission expects to launch a larger pilot with the new methodology, which is expected to last two or three years. There is no deadline for participating in the pilot program and non-EU organizations are welcome. In 2015-2016, the Commission expects to revisit implementation of the methodology based on the results of the second pilot program.

## Section 4 - Member State Government & Private Initiatives












USDA/FAS offices in Europe have reviewed sustainability initiatives in selected EU Member States. Summary results of this review may be found in [Attachment A](#). U.S. exporters are encouraged to review these when formulating specific marketing plans.



## Section 5 - Private and Company Initiatives at the EU Level

| <b>Top Food retailers in Europe</b>         |                |                                 |                        |   |  |
|---|----------------|---------------------------------|------------------------|---|--|
| <b>Turnover in Europe 2010 in Billion €</b> |                |                                 |                        |   |  |
| Rank  | Retailer       | Turnover<br>(Food portion only) | Corporate Headquarters | Short List of Accepted Certifications   | Link to Sustainability Policy  |
| 1   | Carrefour      | 57.1                            | France                 | MSC, FSC, RSPO  | <a href="http://ideesetrecettes.carrefour.fr/content/la-charte-de-l-engagement-qualite-carrefour-egc/">http://ideesetrecettes.carrefour.fr/content/la-charte-de-l-engagement-qualite-carrefour-egc/</a>                                    |
| 2   | Schwarz Gruppe | 49.8                            | Germany                | Fairtrade, MSC, FSC, PEFC, Rainforest alliance, Utz certified                             | <a href="http://www.lidl.de/de/Verantwortung">http://www.lidl.de/de/Verantwortung</a>  |
| 3   | Tesco          | 41.4                            | UK                     | Fairtrade, MSC, RSPO, FSC, PEFC, Organic  | <a href="http://www.tescopl.com/index.asp?pageid=134">http://www.tescopl.com/index.asp?pageid=134</a>  |
| 4   | Rewe           | 38.1                            | Germany                | Organic, Blau Angel, MSC, Fairtrade, ProPlanet  | <a href="http://www.rewe-group.com/en/sustainability/green-products/">http://www.rewe-group.com/en/sustainability/green-products/</a>  |
| 5   | Edeka          | 37.5                            | Germany                | FSC, MSC, RSPO, RTRS, Proterra  | <a href="http://www.edeka-gruppe.de/Unternehmen/de/verantwortung/">http://www.edeka-gruppe.de/Unternehmen/de/verantwortung/</a>  |
| 6   | Aldi           | 35.8                            | Germany                | MSC, ASC, GlobalG.A.P., Organic, FSC, PEFC, RSPO  | <a href="http://www.aldi.com/verantwortung.aldi-sued.de/">http://www.aldi.com/verantwortung.aldi-sued.de/</a>  |
| 7   | Auchan         | 31.6                            | France                 |   |  |
| 8   | Metro          | 28.1                            | Germany                | MSC, GlobalG.A.P., Global Organic Textile Standard (GOTS), Fairtrade, Rainforest Alliance | <a href="http://www.metrogroup.de/">http://www.metrogroup.de/</a><br><a href="http://www.metrogroup.de/internet/site/metrogroup/node/13949/Len/index.html">http://www.metrogroup.de/internet/site/metrogroup/node/13949/Len/index.html</a> |
| 9   | ITM            | 24.2                            | France                 |   |  |
| 10  | Leclerc        | 22.8                            | France                 |   |  |

Source: Sales data from Planet Retail - June 2011; Certifications compiled by FAS European Offices

| <b>Major Sustainability Certification Programs for Europe's Top 10 Retailers</b> |   |   |   |   |
|--|---|---|---|---|
| <b>Program</b>   |   | <b>Label</b>  | <b>Products</b>                             | <b>Link</b>   |
| ASC  | Aquaculture Stewardship Council                       |    | Fish from aquaculture                       | <a href="http://www.asc-aqua.org">www.asc-aqua.org</a>  |
| Fairtrade  |   |    | broad variety of products                   | <a href="http://www.fairtradeusa.org/">www.fairtradeusa.org/</a>  |
| FSC  | Forest Stewardship Council                            |    | Forest products, paper                      | <a href="http://us.fsc.org/">http://us.fsc.org/</a>   |
| GlobalG.A.P.   |   |    | Fresh produce                               | <a href="http://www.globalgap.org">www.globalgap.org</a><br><a href="http://www.globalgap.org/north-america/front_content.php">http://www.globalgap.org/north-america/front_content.php</a> |
| MSC  | Marine Stewardship Council                            |    | Fish  | <a href="http://www.msc.org">www.msc.org</a>  |
| Organic Textile Standard   |   |   | Apparel, textiles                           | <a href="http://www.global-standard.org">www.global-standard.org</a>  |
| PEFC   | Programme for the Endorsement of Forest Certification |   | Forest products, paper                      | <a href="http://www.pefc.org">www.pefc.org</a>  |
| Pro Terra  |   |   | non-gmo soy                                 | <a href="http://www.cert-id.eu/certification-programmes/proterra-certification">http://www.cert-id.eu/certification-programmes/proterra-certification</a>                                   |
| ProPlanet  | REWE store brand for sustainable products             |  | variety of products                         | <a href="http://www.proplanet-label.com">www.proplanet-label.com</a>  |
| Rainforest Alliance  |   |  | bananas, coffee, tea, chocolate, pineapples | <a href="http://www.rainforrest-alliance.org">www.rainforrest-alliance.org</a>  |
| RSPO   | Roundtable on Sustainable Palm Oil                    |  | Palm oil                                    | <a href="http://www.rspo.org/en/home">www.rspo.org/en/home</a>  |
| RTRS   | Round Table on Responsible Soy Association            |  | soy   | <a href="http://www.responsiblesoy.org">www.responsiblesoy.org</a>  |
| Utz certified  |   |  | Cocoa, cotton, palm oil, tea,               | <a href="http://www.utzcertified.org">www.utzcertified.org</a>  |

## Section 6 – U.S. Sustainable Products with European Market Potential

### Table 1: Summary Table by Product Group and Member State

|                | Biofuel feed-stocks | Chocolate | Cocoa | Coffee & tea | Cotton | Dairy products | Dried Fruits | Eggs | Exotic fresh fruits | Fish & seafood | Fruits & vegetables | Fruit Juices |
|----------------|---------------------|-----------|-------|--------------|--------|----------------|--------------|------|---------------------|----------------|---------------------|--------------|
| Austria        | x                   |           |       |              | x      |                | x            |      |                     | x              |                     | x            |
| Belgium        | x                   |           | x     | x            |        | x              |              |      | x                   | x              | x                   |              |
| Denmark        |                     |           |       |              |        | x              | x            |      | x                   | x              | x                   |              |
| Estonia        |                     |           |       |              |        |                |              |      |                     |                |                     |              |
| France         | x                   |           |       |              | x      |                |              |      |                     | x              |                     |              |
| Finland        |                     |           |       |              |        | x              |              |      |                     |                | x                   |              |
| Germany        | x                   | x         | x     | x            | x      | x              | x            |      |                     | x              | x                   |              |
| Greece         |                     |           |       |              |        |                |              |      |                     | x              |                     |              |
| Italy          |                     |           |       |              |        |                |              |      |                     | x              |                     |              |
| Luxembourg     |                     |           |       |              |        | x              |              |      | x                   |                | x                   |              |
| Netherlands    | x                   |           |       |              |        | x              | x            |      | x                   | x              | x                   |              |
| Spain          |                     |           |       |              |        |                |              |      |                     |                |                     |              |
| Sweden         | x                   |           |       |              |        | x              | x            |      | x                   | x              | x                   |              |
| United Kingdom | x                   |           |       |              | x      |                |              | x    | x                   | x              | x                   |              |

### Table 2: Summary Table by Product Group and Member State (cont.)

|                | High quality beef | Meat | Nuts | Pet food | Palm oil | Rice | Snack food | Soybeans | Wheat | Wine | Wood |
|----------------|-------------------|------|------|----------|----------|------|------------|----------|-------|------|------|
| Austria        | x                 | x    | x    | x        |          |      | x          | x        |       | x    | x    |
| Belgium        | x                 |      |      |          | x        | x    |            | x        | x     | x    |      |
| Denmark        | x                 |      | x    |          |          | x    | x          | x        |       | x    |      |
| France         |                   |      |      |          |          |      |            | x        | x     |      | x    |
| Finland        |                   |      |      |          |          |      |            |          |       |      |      |
| Germany        | x                 | x    | x    |          |          |      | x          | x        |       | x    | x    |
| Greece         |                   |      | x    |          |          |      |            |          |       |      | x    |
| Italy          |                   |      |      |          |          |      |            |          |       |      | x    |
| Netherlands    | x                 |      | x    |          | x        | x    | x          | x        | x     |      |      |
| Spain          |                   |      |      |          |          |      |            |          |       |      |      |
| Sweden         | x                 |      | x    |          |          |      | x          |          |       | x    |      |
| United Kingdom | x                 |      | x    |          |          | x    | x          |          |       | x    | x    |

## Attachement A – Selected Member State Sustainability Fact Sheets

### Austria

#### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Austrian consumers are very attuned to the environmental, social and economic issues related to sustainability, a view that is reinforced through campaigns by influential NGOs. All major Austrian food retail chains have their own sustainability programs and logos and many have developed private label brands. The most important sustainability themes adopted in Austria are: organic, regionally produced, GHG savings, fair trade, and GMO-free.

Government Initiatives The Austrian government strongly promotes sustainable agricultural, food and forestry products and sees itself as a European leader in sustainable development. Government publications regularly include sustainability (called *Nachhaltigkeit* in German) as a buzzword. Austria was one of the earliest EU member states to implement sustainability criteria for biofuel feedstocks.

Strategy

In 2002, the Austrian federal government introduced its first strategy for a sustainable development called NSTRAT, which today defines fields of action and key objectives within each field. The four fields of action for those issues of relevance to agriculture, forestry and food, are:

- Quality of life in Austria
  - A sustainable life-style
- Austria as a dynamic business location
  - Correct prices for resources and energy
  - Strengthening sustainable products and services
- Living spaces in Austria
  - Protection of environmental media and climate
  - Preserving the diversity of species and landscapes
  - Responsible use of land and regional development
  - Shaping responsible mobility
  - Optimizing the transport systems
- Austria's responsibility
  - A global sustainable economy

The government has been working on a new strategy for sustainable development which is expected to be published and implemented by the end of 2012.

In July 2010, the Austrian federal government, together with provincial governments, began implementing the national sustainability strategy under a program called OeSTRAT. In addition, the Austrian agro-environmental program OePUL includes 29 measures promoting environmental friendly practices, extensive use of natural resources, and organic and alpine agriculture. In 2011, the OePUL program provided Euro 549.2 million to farmers complying with the requirements of the program. Seventy percent of total Austrian farmers and 89 percent of the Austrian agricultural land participate in the program.

There are a number of sustainability projects which are supported by the Austrian federal and the provincial governments. One example is the joint initiative of the Austrian ministries of agriculture and environment, of economy and of foreign affairs to sponsor a web-based information platform to promote sustainable consumption of food and other consumers' products. This information platform publishes information on sustainability with the goal of increasing consumer awareness. The web page includes a database of sustainable products and sustainable labels. The government decides whether a product can be regarded sustainable and enter the database. To date, the platform called [www.bewusstkaufen.at](http://www.bewusstkaufen.at) includes 41 retailers and retail chains, 20 producers and 19 associations. More than 1,150 food products can be found in the database. Most important products by number are milk and dairy products, followed by coffee and tea, grains and grains products (including bakery products), meat and meat products, seasonings, and fruits and vegetables. The specific sustainable criteria under which the labels are certified as well as control mechanisms can be found on the webpage.

### Private Initiatives

**REWE Austria** has nearly a third of Austrian food retail sales. In addition to its organic label "Ja Natuerlich" which was the first to appear on the Austrian retail sector, "Pro Planet" is the sustainable label used by the parent company REWE group. In cooperation with NGOs REWE identifies different sustainability criteria for different food products. The label indicates whether a product is produced using GHG saving methods, using limited resources and/or socially responsible labor conditions. Currently, the product categories eggs, fish, vegetables, and fruits fall under the under the Pro Planet label. Other labels REWE uses are Vega-Vita and Gentechnik-frei (GMO free). REWE has also its own pesticide reduction program, guidelines for sustainable economic activities and guidelines for sustainable palm oil. REWE actively promotes its own environmental and social initiatives (<http://www.rewe-group.at/>).

**Spar** has nearly 28 percent of Austrian food retail sales. Under the slogan "Spar setzt Zeichen fuer unsere Zukunft" ("Spar blazes a trail to our future") Austria's second largest is using sustainably themes competitively. In addition to its own organic label, "Natur pur", Spar accepts and uses the labels from sustainability certifiers such as MSC and WWF. Spar supports sustainability-related charity projects and focuses on sustainability in their customer magazine (<http://www.spar.at/>).

**Hofer** is by far the largest Austrian discounter with about 20 percent of Austrian food retail sales. Hofer promotes labels such as FairTrade, Natur aktiv (organic) Zurueck zum Ursprung ("Back to the source," an organic label with sustainability values for CO2, water use, biodiversity), WWF, MSC (<http://www.hofer.at/>).

**Promising U.S. Products** Market opportunities for U.S. sustainable products include mainly products which are not sufficiently locally produced or have a high quality. Those sustainable products include fish and seafood products, nuts, wine, pet foods, dried fruits, fruit juices, snack foods, and high quality beef.

## The Netherlands

### Sustainability Fact Sheet for U.S. Food and Agricultural Exporters

**General** Sustainable food is an important growth markets for Dutch food retailers and food processors. Sales of sustainable foods (broadly defined and including ‘organic’) rose by nearly a third in 2011 while total spending on food in the same year only grew by 3.1 percent. The market share of sustainable foods increased from 3.5 percent in 2010 to 4.5 percent in 2011, or about Euro 1.7 billion.

The Netherlands is also a major trans-shipment and/or processing point for food commodities and biofuels, in particular those moving on to Germany. Dutch food processors and commodity handlers have adopted sustainability sourcing requirements to ensure they are able to remain competitive in other EU countries. For example, in 2011, FEAC, the Dutch association of oilseed crushers, processors and feed compounders, announced their intention to only source sustainably produced soybeans starting in 2015.

**Government Initiatives** The Dutch Ministry of Economic Affairs, Agriculture and Innovation (MinAg) published a 2011 report titled, Monitor Duurzaam Voedsel, which gives an overview of consumer spending on sustainable food in the Netherlands. MinAg defines sustainable food as having production and processing above and beyond what is legally required for environmental, animal welfare and social criteria. In the report, two criteria are used to measure sustainability claims: 1) at the consumer level, sustainability efforts are visible by a label or logo; and, 2) control of the logo or mark must be independent. In addition, the Ministry feels it is more correct to speak of sustainable foods as a relative matter and to indicate how a product is proportionally more sustainable than another product. The emphasis is on the process towards sustainable.

**Private Initiatives** Below labels or marks are examples of sustainable food products that are currently recognized by Dutch Ministry of Economic Affairs, Agriculture and Innovation.



The following are more recent labels and initiatives.-

**Beter Leven:** The Beter Leven (or Better Life) is a system by the Dutch Society for the Protection of Animals (or Dierenbescherming) which is widely accepted in the market. The amount of stars indicates

the level of animal welfare friendly (<http://beterleven.dierenbescherming.nl/>).

**Organic:** On July 1, 2010, the use of the EU organic logo became mandatory for prepackaged organic food produced in the EU. It may be accompanied by national (EKO) or private logos, (<http://www.eko-keurmerk.nl/>). (Note: there is a new US-EU organic equivalency arrangement – U.S. products meeting the USDA/NOP standard now generally are considered ‘organic’ in the EU. See: <http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097062>)

**FAIRTRADE/Max Havelaar:** This mark continues to demonstrate growth. It focuses on raw materials and fresh produce such as bananas and pineapples, (<http://www.maxhavelaar.nl/>).

**Label Rouge/Scharrel/Vrije uitloop:** There is an increasing number of animal-welfare friendly products and sales in 2011 reportedly doubled. Label Rouge, Scharrel and Vrije uitloop products are slowly being phased out as many of these products are now being rated with Beter Leven stars.

**Marine Stewardship Council:** One goal of the Dutch retailers association, CBL, has been to have all fisheries products MSC certified by 2011. This was not achieved because supply is still inadequate. MSC certified products have perhaps the best market penetration of any sustainable food label and is widely recognized by consumers. [www.msc.org](http://www.msc.org). This year, Aquaculture Stewardship Council (ACS) launched its own label for certified aquaculture products (<http://www.asc-aqua.org/>).

**Milieukeur:** The Milieukeur mark, a logo for environment friendly products, is being used less and less on packaging. Although not visible, it is a certifying system used in a business-to-business context (<http://www.smk.nl/>).

**Rainforest Alliance:** The use of the Rainforest Alliance logo has stabilized in the Netherlands, (<http://www.rainforest-alliance.org/>).

**UTZ Certified:** Initially designed for coffee, UTZ now has programs for cocoa, tea, palm oil and cotton (<http://www.utzcertified.org/>).

What are Dutch retailers doing?

In May of this year, a new App was launched to help consumers make sense of competing sustainability logos and claims. Food products are measured on several sustainability aspects (animal welfare, effect on environment) and health (<http://www.superwijzer.com/site/superwijzer>).

The website [www.duurzaameten.nl](http://www.duurzaameten.nl) (eat more sustainable) is a platform for consumers to learn about sustainable labels, logos and certification. In addition, it provides a brief overview of some of the sustainability initiatives by Dutch food retailers.

Market leader Albert Heijn plans to have all their private label products produced and labeled sustainable by the end of 2015. The current focus is on the following six product groups: coffee, tea, cocoa, soy, palm oil and seafood. A successful Albert Heijn private label is “Puur&Eerlijk”. For seafood, Albert Heijn would like to have all private label fishery products MSC, or equivalent, certified, and all private label aquaculture products ASC certified, by 2015. For that past two years now, Albert Heijn has

sold eggs certified as coming from so-called Rondeel production, which reportedly provides better living conditions for hens. Rondeel eggs have been given the maximum 3 stars by Beter Leven mark and are now also now being sold in the German market (<http://www.rondeeleieren.nl/>).

PLUS supermarkets recently ran a TV advertising campaign to highlight their sustainability initiatives. The video focuses on FAIRTRADE bananas and pineapple and on sustainable fish (<http://www.youtube.com/watch?v=876eQks1C6k>).

Jumbo recently stated that by 2015 it wants to be the most sustainable supplier of meat products in the Netherlands. This year all pork sold in its stores will reportedly have the Milieukeur mark. Next year, Jumbo plans to introduce antibiotic-free meat products. In addition, Jumbo wants to pay more attention to animal welfare friendly production. On the seafood side, MSC certified products are playing a bigger role. Jumbo's C1000 recently introduced private label UTZ certified coffee. This coffee has been produced by farmers that comply with the social, economic, and environmental criteria.

German based discounter Lidl wants to boost its range of sustainable food products. All cooled and frozen fishery products will be MSC certified while all fresh milk will carry the Weidemelk logo. Finally, all of Lidl's private label chocolate products will only use UTZ certified cocoa.

DEEN supermarkets only sell fresh pork through their Sustainable Pork Value chain (KDV) with a Milieukeur mark. DEEN's special focus has been on animal welfare and environmental concerns. Together with World Wildlife Fund, Stichting Noordzee and MSC, DEEN adapted its fish procurement to use the viswijzer ([www.goedevis.nl](http://www.goedevis.nl)). Endangered species have been replaced by MSC certified fishery products.

Promising U.S. Products At the retail level, four product groups seem to have the highest level of market penetration for sustainable products: 1) coffee, tea, cocoa, palm oil and cotton, 2) meat products, 3) seafood and 4) (exotic) fresh fruit. Market opportunities for U.S. sustainable products are therefore found in these product groups, and where there is not a sufficient supply locally, and products that carry a logo/label that is recognized. At the moment there could be a market for U.S. seafood, organic products and (exotic) fresh fruit.



Spending on sustainable food products, per label/mark, million Euros

| Label/Mark:                             | 2010:          | 2011:          | Change in percentage: |
|---|----------------|----------------|-----------------------|
| Beter Leven                             | 153.6          | 295.3          | 92.3                  |
| Organic                                 | 668.5          | 802.9          | 20.1                  |
| FAIRTRADE/Max Havelaar                  | 155.9          | 188.3          | 20.8                  |
| Label Rouge                             | 0.8            | 1.2            | 50.0                  |
| MSC                                     | 111.3          | 130.5          | 17.3                  |
| Milieukeur                              | 31.4           | 30.1           | -4.1                  |
| Rainforest Alliance                     | 98.0           | 97.8           | -0.2                  |
| Scharrelvlees                           | 0.2            | 1.7            | 750.0                 |
| UTZ Certified                           | 214.5          | 328.0          | 52.9                  |
| Vrije Uitloop                           | 8.0            | 4.3            | -46.3                 |
| <b>Total</b>                            | <b>1,442.2</b> | <b>1,880.1</b> | <b>30.4</b>           |
| Products with more than 1 label or mark | 102.3          | 131.5          | 28.5                  |
| <b>Total</b>                            | <b>1,339.9</b> | <b>1,748.6</b> | <b>30.5</b>           |

Source: Ministry of Economic Affairs, Agriculture and Innovation

## Denmark/Finland/Sweden

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Sustainable development is a key objective for the Nordic countries of Denmark, Finland and Sweden. Nordic retailers are shifting their product ranges towards an increasing share of sustainable food products. Consumers have become increasingly interested in sustainability of the food they buy and eat. Generally, domestic agriculture has started to adjust to the consumers' demand for sustainable production and more pressure is being put on international suppliers to certify their products.

Government Initiatives In the Nordic countries, there are several governmental programs that promote sustainable food production and consumption. The governments have encouraged development towards more organic foods. Denmark was one of the first countries in the world to introduce legislation covering organic production in 1987. In 2012, the Danish government launched an Action Plan for organic production to double by 2020. The new Action Plan includes various initiatives aimed at farmers, the processing and retail sectors, and consumers. The Nordic countries encourage public actors to adopt sustainable procurement in the government and the municipal sectors.

In addition to national initiatives, the Nordic countries are working closely together to promote sustainable development in the region. The collaboration is organized through the Nordic Council of Ministers, the official co-operation body of the Nordic governments. The Council is the first international organization to initiate the formulation of a set of common criteria for green public procurement. Recently, The Nordic Council of Ministers sponsored a new [website for retailers](#) promoting green thinking in this sector. The official Nordic environmental label, the Nordic Swan Ecolabel, was created in 1989. The strengths of the Nordic Swan label include its coverage across the Nordic region, high

product uptake, government certification and extensive brand awareness among consumers. Sustainability criteria, in addition to those of the environment, are gradually being added to the Nordic Ecolabel.

Private Initiatives There is clearly a growing interest in the Nordic retail sector to stock shelves with sustainable products and it is an interest driven by customers' preference. Nordic retailers are actively working on supplier requirements for sustainable products and packaging and they all have sustainable supply chain programs. For Nordic retailers with a high sustainability profile, it is most important to work pro-actively in order to preserve and improve corporate image and brand and to avoid accusations of 'green washing.'

As an example of an industry initiative, the Swedish Climate Certification for Food is a joint initiative between Swedish Seal/Svenskt Sigill and KRAV, Sweden's two organizations working with certification of food, as well as the Federation of Swedish Farmers and four major Swedish food companies, Lantmännen, Scan, Milko and Skånemejerier. The purpose is to create a certification system, which will reduce the negative climate effects in food production and give consumers a chance to make conscious climate choices. Criteria, data and scientific reports are available at [www.klimatmarkningen.se/in-english](http://www.klimatmarkningen.se/in-english)

Also, the National Food Administration together with the Swedish Environmental Protection Agency has put forward "Environmentally Smart Food Choices" with advice to consumers on how to make environmentally sustainable smart choices. The choices are formulated with regard to six groups of food: meat, fish and shellfish, fruits, berries, vegetables and leguminous plants, potatoes, cereals and rice, dietary fat and water. Recommendations are given in relation to six environmental objectives.

The major Nordic retailers all have organic labeled products in their private label series. ICA has their own brand "I love Eco" in Sweden and Norway. Coop in Sweden, Norway and Denmark have a common organic label, Änglamark. In Denmark competing retailer groups, Coop, Dansk Supermarked and SuperGros, together cover 97 percent of the Danish MSC certified sustainable seafood market. The number of MSC labeled products on the Danish market has surpassed 500, and increased by 75 per cent in 2011. In Finland, Kesko, Inex Partners and Tuko all have Swan labeled products in their private label series. Also, there are some Fair Trade and MSC labeled products.

**Coop** is Denmark's major retailer with a market share of 38 percent. Coop has made public a wide range of sustainability-related goals, including:

- To become Denmark's largest selection of organic products.
- Double sales of sustainable products.
- Stop the sale of concentrated herbicides.
- To have Denmark's largest selection of MSC labeled fish products.
- Develop and market new FSC labeled products.
- Reduce packaging.
- Establish at least two eco-labeled stores

**Dansk Supermarked** has a 31percent share of Danish retail food sales. Sales of organic products are increasing and Dansk Supermarked has a wide range of organic products with the Danish state-controlled red organic label. The retailer has a range of products with the Nordic Swan or the European

Ecoolable and about 1,200 private label products.

**S Group** is Finland's largest retailer with a market share of 44 percent. S Group systematically develops its product ranges to include products that carry eco labels and are ethically produced. Demand for organic products has clearly been increasing in the last year. S Group's grocery stores are the largest sellers of organic products in Finland and in 2011, sales increased by 50 percent and more than 700 new organic products were added to the assortment. The S Group grocery stores carry 83 Fairtrade products, 116 products with the Nordic Swan label, 147 EU eco-label products, 25 fish products with MSC certification and 62 products with FSC label. The S Group is expanding its range of sustainable products in response to increased demand.

**Kesko** has 35 percent of Finland's food retail sales the country's largest selection of Fairtrade products. In 2011, Kesko Food had 222 Fairtrade products of which 38 were Pirkka (private label) products. The most popular Pirkka Fairtrade products are flowers, bananas, coffee, juices, cocoa and chocolate. Procurement of fish products is done according to WWF Finland's fish guide and MSC certified suppliers. Kesko has sustainability statements for fish and shellfish, timber and palm oil and the country of origin is indicated on private label products. Finnish Pirkka products always carry the Swan label. In 2011, Kesko had 1,073 organic products in its selection. In 2011, 2,072 Pirkka products of which 70 were organic and 40 Fairtrade products.

**ICA** is Sweden's top food retail outlet with nearly half of the market. ICA organic sales have more than doubled since 2007 and, in 2011, sales of ICA's organic store line "I love Eco" products rose by 23 percent. A total of around 20 new products were added, including around ten meat products. Products in the ICA "I love Eco" brand are certified according to the EU's organic criteria and sometimes also according to Swedish organic KRAV regulations. Animal-based ingredients in ICA "I love Eco" products must be approved according to KRAV, which place more stringent requirements on animal welfare than the EU. ICA's aim is to offer a high proportion of eco-labeled, organic and Fairtrade products and to constantly reinforce environmental awareness in the assortment processes. The range is continually expanding with environmentally sound products as well as more regional and locally produced alternatives.

**Coop Sweden** has 21 percent of Sweden's retail food sales and the largest selection of sustainable foods. Coop's organic private label "Änglamark" is the leading trademark for organic products in Sweden. One of Coop's goals is that sales of sustainable products will be at least 10 percent in 2012 and sales of Fairtrade-labeled products are expected to double between 2010-2012. The relaunch of Coop Änglamark milk and other dairy products will add to their line of sustainable products. Coop is intensifying its efforts to phase out uncertified palm oil from its store brands.

Promising U.S. Products The best opportunities lie in products not produced domestically, e.g., rice, some fruit and vegetables, dried fruits, nuts and wines. Other sustainably certified products showing strong growth are baby food, coffee, fresh spices, bread and food ingredients.

For feed, in Sweden most buyers will only purchase RTRS soybeans. Danish feed producers have not yet taken this step but are reporting increased pressure from retailers to limit purchases to RTRS soy or to provide other sustainability certification.

## France

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Over half of France's land area is devoted to agriculture and input use is high (e.g., France is the leading EU consumer of pesticides). There is also pressure to reduce green house gasses and to further protect biodiversity. In that context, agricultural producers, policy makers, and the general public consider sustainability to be a critical aspect of agriculture. The government sponsors a variety of programs that influence domestic agricultural practices and encourage food processors and retailers to adopt sustainability criteria in the production and marketing of foods. Measures include tax rebates, government purchasing, a pilot environmental labeling program, and supporting the harmonization of sustainability standards.

According to a study conducted by the French Environment and Energy Management Agency (ADEME) in 2010, more than half the population intuitively links sustainable development with "ecology, fighting against pollution, preserving resources, and protecting the environment." The study revealed that while 79 percent of the French are ready to be responsible consumers and 20 percent declare themselves as eco-consumers, only four percent will translate into purchasing actions (buying fair trade and organic products, paying specific attention to the geographic origin of the products, or boycotting some products). Price premiums for certified goods are clearly a limiting factor to increasing sales in the 'sustainable' category.

French and EU organic logos are also highly visible to the public and may be considered as synonymous by consumers with 'sustainability'.

### Government Initiatives

**National Policy:** The Government of France has taken significant environmental measures in the past few years through two environment laws voted in 2009 and 2010. The Grenelle for the Environment proposed a wide range of objectives in all sectors of the economy. The inter-ministerial committee for sustainable development adopted a National Strategy for Sustainable Development for 2010-2013, released by the Prime Minister's Office. This document lists a number of strategies, including "developing a more sustainable food production," with the following objectives:

- Perform organic agriculture on 60 percent of the total farmland in 2020
- Food at public institutions must contain 20 percent of organic products by 2012
- Have 50 percent of farms involved in environmental certification by 2012
- Reduce pesticide use by 50 percent by 2018
- Increase public purchases of wood products from sustainably managed forests

The actions envisioned by the Government of France to reach a more sustainable development included (in parenthesis are examples of interest for agriculture):

- Encouraging consumption of sustainable products (e.g., developing labels, certification schemes, promoting fair trade products),
- Supporting the green economy and green technology (e.g., supporting renewable bioenergy development, green chemistry, and biobased products),

- Generalizing eco-conception initiatives (e.g., those with carbon and environmental costs, supporting energy efficiency along the life cycle),
- Implementing tax and regulatory incentives (e.g., a reduced VAT on eco-products, expanding the scope of the environmental tax already implemented on biofuel blenders),
- Establishing information traceability across the entire life cycle (on GHG emissions, for example),
- Making public purchases exemplary (e.g., with vehicle fleet),
- Continuing the European regulatory and standard harmonization,
- Accessing safe and balanced food (supporting ecologically and socially responsible production and distribution methods contributing to protect public health, soil fertility, and water quality, such as short food supply chains and fair trade products),
- Reducing waste production and increasing recycling rate,
- Supporting companies collecting and valuing waste,
- Valuing the use of renewable or recycled raw materials (e.g., promoting wood for sustainably managed forests),
- Valuing industrial ecology and functional economy (e.g., developing short supply chains)

In 2010, the French Environment and Energy Management Agency (ADEME) released a document on sustainable development. It specifically lists the organic and fair trade food labels as ways to identify sustainable products for consumers.

In 2011, the Strategic Analysis Center of the Prime Minister's office released a report titled "Towards Sustainable Consumption." Supporting more sustainable and more competitive agriculture is one of the various types of public support indicated in the report. Specific emphasis is given to organic agriculture (identified as preserving ecosystems, leveraging against input price volatility, reducing dangers to human health, and favoring farm profitability and rural development). Public support to organic agriculture is expected to help its development, currently constrained by consumer price premiums 23 percent, on average, for hotels, restaurant, and institution (HRI) sales.

#### Specific Actions by the Ministry of Agriculture

The Ministry of Agriculture is conducting a number of actions to make agriculture more sustainable, in order to meet the objectives set by the government.

- The **Ecophyto 2018** program aims to reduce pesticide use by half from 2008 to 2018 and gradually prohibit the use of the most dangerous molecules from the market.
- The **environmental certification of farms**, managed by a national committee on environmental certification, is provided on a voluntary basis, and attributed to farms implementing good agricultural practices. This is validated in five different schemes, on a total of 2,000 farms, to date. The most stringent environmental certification is called "High Environmental Value" and provided by registered certification organisms.
- **Agro-Environmental Measures (AEM)** are funded by the European Union's rural development schemes in favor of biodiversity, water, and soil quality. In 2010, almost 6 million hectares (ha) (i.e., almost 20 percent of France's agricultural land) benefitted from these subsidies.
- The **Energy Performance Program**, co-funded by the European Union and France, is a tool to help reach the objective of 30 percent of farms with little energy dependence by 2013.
- **Organic agriculture:** In 2011, there were 23,000 organic farmers; farming 1 million ha (3 percent of France's farm land). Sales of organic products amounted to 3.4 billion Euros in 2010,

accounting for 2 percent of the total food market. The leading categories of products sold under this label are fruits and vegetables, grocery products, dairy products, bread, and wine.

## Environmental Labeling

In January 2012, France's Ministry of Ecology and Sustainable Development released a report titled "Towards an environmental labeling for food products" (its translation in English, available [here](#), was published in April 2012). According to the report, environmental labeling in France relies on the following:

- **Legislative:** Articles of the "Grenelle" laws of 2009 indicate that "consumers must have access to sincere, objective and comprehensive environmental information on the overall characteristics of the product/package pair" and of 2010: "from July 1 2011, a trial will be consulted for a minimum period of one year. The objective of the consumer, gradually and by any suitable method, of the carbon footprint of products and their packaging, and the consumption of natural resources or impact on natural environments that are attributable to these products throughout their life cycle."
- **Technical:** The joint Environment and Energy Management Agency – Food Standards Agency (ADEME-AFNOR) work resulted in a methodology of good practices for environmental labeling of consumption products in 2009: BPX30-323:2009, which sets carbon dioxide emissions as the main but not unique criteria for environmental labeling, and life-cycle as the basis for calculation.
- **Experimental national environmental labeling in 2011-2012:** Its objective is to test how information is passed on throughout the entire production and distribution chain, all the way to the end consumer. It includes various parties (including NGOs) that help optimize but above all to explore different calculation methodologies, communication channels, indicators, etc.

The report considers that, in order "to characterize the environmental footprints of food products, a single criterion, phase-specific (transport) indicator, such as 'food miles,' has numerous shortcomings. In order to reflect overall sustainability, environmental labeling on agricultural and food products must favor the "life cycle" approach as well as multi-criteria environmental evaluations, while remaining aware of the limits of these methods." It continues further that "on the French level, another project remains to be initiated, that is the coexistence of this environmental labeling scheme on food products with other distinctions such as 'product grown on a farm with high environmental value,' logos and labels (organic agriculture, sustainable agriculture, labels certifying quality or geographic origin) and the European Ecolabel whose extension to food products is occasionally mentioned."

Overall, thirty-six food organizations (including 29 private companies) volunteered to participate in the program, on a total of 326 food products. Three indicators were labeled on the products, on average: GHG emissions, water consumption, and impact on biodiversity. Consumers were informed mainly via internet, labeling at the retail outlet, or through a smartphone application. In the end, 75 percent of the food companies want to continue environmental labeling, and 60 percent want it to expand.

### Private Initiatives

**Carrefour**, which is the EU's leading supermarket chain, has partnered with WWF on sustainable development, has created a number of private sustainability labels including the following:



The **Forum for Integrated Farming Respecting the Environment (FARRE)** is a network of 1,000 farms certified to meet a number of good agricultural practices set by regulation (decrees published in the Official Journal) by independent certifying organizations. Certified farms obtain public support in exchange (1,000 Euros per farm). FARRE is member of the European Initiative for Sustainable Development in Agriculture (EISA). Products sourced from farms members of FARRE are labeled with “sourced from an integrated farming qualifying farm.” The leading farm categories involved in FARRE grow crops and vines.

**Fair Trade/Max Havelaar:** In 2011, there were more than 3,000 products sold in France under this label, representing sales of 315 million Euros, mainly including coffee, cotton, cocoa, bananas, and tea.

**LACTALIS:** This is an example in terms of incentives for suppliers and subcontractors to comply with good conduct of health and safety. Since 1999, the group established a charter of good practices, entitled "Focus on the Future," especially dedicated to milk producers. In the same logic, the company requires its suppliers of food livestock to meet the conditions of an approval process to demonstrate compliance with traceability and product quality. This case study aims to show the role that big business can play in the process of sustainable development resulting, by obligation, all actors upstream in the food chain.

**Ecocert** products under “equitable, supportive, responsible” include cocoa, coffee, dried fruits, legumes, olive and sesame oil, quinoa, rice, rum, can sugar, vanilla, coconut, and bananas. Organic products are promoted as sustainable.

#### Promising U.S. Products

There is further opportunity for U.S. sustainable seafood and forest products. Currently, some U.S. seafood products are promoted as being from “sustainable fisheries”, and U.S. hardwoods are promoted as “produced sustainably” in France. Documented efficiency improvements (lower pesticide use) in the soybean and wheat cotton sectors would have market potential.

## Germany

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Sustainability is an important social, economic, and political topic in Germany and the government and NGOs are active in developing national strategies, policy goals, and in some instances, regulation. However, for food marketing, there are not yet uniform standards and food retailers are driving the market through purchasing practices that require sustainability certification. Retailers and food processors are also adept at using sustainability (called Nachhaltigkeit in German) in marketing through certification logos, store brands, and advertising

German consumers have long equaled sustainability with carbon emission savings but, more recently, the scope of consumer and NGO sustainability concerns has broadened to include animal welfare, environmental friendly production methods and non-GE (biotech) crops.

In terms of domestic production, sustainability features prominently in biomass for bioenergy production, chocolate, cocoa, coffee, dairy products (mostly on the grounds that they either use non-biotech or regionally produced feed), fish, fruits and vegetables, cut flowers, and woods.

Government Initiatives The German Government's [National Sustainability Strategy](#) has been in place since 2002 and a comprehensive progress report was issued in 2008. This strategy is based on four principles:

1. Inter-generation fairness
2. Quality of life
3. Social cohesion
4. International responsibility

Goals include:

- By 2010, renewable energy was to increase to a share of 4.2 and 12.5 percent of primary energy consumption and gross electricity consumption, respectively. As both goals were reached ahead of schedule, the goals were increased to 10 and 30 percent, respectively, by 2020.
- Energy and raw material productivity is to double compared to 1990 and 1994, respectively. The goal is that even with higher production less energy should be consumed.
- In the period from 2008 to 2012 GHG emissions have to be reduced by 21 percent compared to 1990. In 2010 this goal was increased to a reduction of 40 percent by 2020.
- By 2015, transport of goods by train has to double its share compared to 1997.

Within this national strategy the German Ministry of Food, Agriculture and Consumer Protection (BMELV) has developed a 10 point plan that encompasses:

1. Combating climate change and adapting to a changing climate
2. Bioenergy and renewable resources
3. Safeguarding natural resources
4. Increasing the competitiveness of agriculture, forestry, and fishery (better education, extension, financial support of animal rearing systems with more focus on animal welfare, develop and promote international standards for sustainable agriculture)



5. rural development and demographic change (for example supporting village development that uses a little new area as possible)
6. Food safety
7. Healthy food choices (improvement of education on nutrition)
8. sustainable consumption (education consumers about sustainable consumption, research on assessing sustainability and feasibility of sustainability labels,
9. World food security (promotion of sustainable agricultural production methods in developing countries, education of consumers against food waste in Germany)
10. Sustainability in the ministry itself (procurement of certified or recycled paper, increasing use of wood for building purposes, substituting digital videoconference for travelling, and, if travel is necessary, substituting airplanes with trains.

On the margins of this strategy, German politicians have indicated that Government sustainability standards for food and feed would be desirable.

#### Government-support for Sustainable Commodities in Other Countries

In June 2012, BMELV introduced the [Forum for Sustainable Cocoa](#) (“Forum für nachhaltigen Kakao”). In this initiative, stake holders (trade, processors, standardizing organizations and NGOs) work together to promote sustainable production of cocoa for example through education farmer about more sustainable production techniques.

#### Renewable Energy Production

Germany was a forerunner on the introduction of sustainability criteria for biomass for energy production. This was prompted by pressure from NGOs to ensure that the production of bioenergy does not lead to environment damage elsewhere, e.g. through cutting down rain forest in South America and East Asia. These criteria are also applied to all feedstock irrespective of origin.

#### Private Initiatives

German food retailers are driving the market through purchasing practices that require sustainability certification. Retailers and food processors are also adept at sustainability marketing through certification logos, store brands, and advertising.

**Edeka**, Germany’s largest food retail chain has partnered with WWF to reach the following goals:

- **Wood/paper/tissues:** store brands (including packaging) use 100 percent recycled or FSC certified material by 2015
- **Fish and seafood:** 100 percent sustainable sources by 2015. Store brands to be MSC certified.
- **Palm oil:** store brands to source 100 percent RSPO certified palm oil
- **Soybeans:** strive for store brands to use domestically produced feed or RTRS+gmo free/Proterra certified non-biotech soybeans
- **Carbon emissions:** Lifecycle analysis for select products
- **Water:** analysis and reduction of water use for select products/ product groups

<http://www.edeka.de/EDEKA/Content/Engagement/Nachhaltigkeit/WWF/index.jsp>

**Rewe**, is the number two retail chain in Germany. The chain stores Rewe, Nahkauf, and Penny all belong to this group. Rewe uses the following sustainability-related labels: Organic, Blauer Engel, MSC, Fair Trade, ProPlanet

*Pro Planet* is noteworthy because is a sustainability system developed for Rewe based on identifying on “hot spots”, i.e., those points in the product life cycle that have the biggest impact. Since the these vary by product, ProPlanet has developed specific labels.



Transition ProPlanet-  
Produced with lower water  
consumption.



Transition ProPlanet- Produced in  
an environmentally friendly way

More details about ProPlanet’s certification process may be found at: <http://www.proplanet-label.com/>

The **Metro** group includes Metro Cash+Carry markets for wholesalers and *real* hypermarkets. Metro supports the following labels: MSC, GlobalG.A.P., Global Organic Textile Standard (GOTS), Fairtrade, Rainforest Alliance. In addition, Metro has a comprehensive sustainability plan in place that includes all stages of the production and retail chain. For suppliers they request responsible production and sourcing methods as well as traceability of raw material on all production stages. This includes adherence to environment protection standards and labor laws.

#### Supply chain and products

- Conserving resources, ethical procurement and production.
- Traceable raw materials and processing stages.

#### Energy and resource management

- Recording greenhouse gas emissions within our carbon footprint reporting.
- Energy-efficient processes and targeting employee training toward energy savings.
- Waste and packaging management.

#### Employees and social affairs

- Compliance with human rights and international working standards.
- Promoting diversity and equal opportunities.
- Occupational health and safety, health management.
- Consistent training and continuing professional development.

#### Social policies and stakeholder dialogue

- Transparent, open dialogue with all stakeholder groups.
- Shaping new networks and partnerships of shared responsibility.

More on sustainability at Metro can be found at:

<http://www.metrogroup.de/>

The leading discounter store chains *Aldi* and *Lidl* also use sustainability in their messaging. Details can be found at:

<http://www.aldi.com/>

<http://verantwortung.aldi-sued.de/>

<http://www.lidl.de/de/Verantwortung>

## Food Processing

A number of food and food processing companies actively advertize that they have conducted a carbon footprint assessment. For example: *Westfleisch* and *Toennies* (both for pork and sausages), *Wiesenhof* (broiler meat)

## Promising U.S. Products

Consumer products: chocolate, coffee, dried fruits & nuts, fish, fruits and vegetables, snack food, wine  
Bulk products: wood; wood pellets; soybeans/soybean oil, bioethanol and biodiesel (provided they have an EU or Germany recognized sustainability certificate)

# Greece

## *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

### General

In Greece, sustainability is synonymous with organic. The shift to organic farming as well as biological husbandry, fisheries, and forestry constitute important priorities in the sustainable development of Greece. However, other than codes on Good Agricultural Practices, sustainability standards have yet to be fully developed. Greece's implementation of EU Regulations 2092/91 and 2078 /92 have fostered organic farming, but it is on a smaller scale than some other EU countries.

### Government Initiatives

As mentioned above, most of the efforts relate to organic production or environmental controls. In compliance with article 4 of the EU Directive 91/676 on nitrate pollution, Greece established in the 2004 Codes of Good Agricultural Practice:

- Limiting on the periods when nitrogen fertilizers can be applied on land in order to target application to periods when crops require nitrogen and prevent nutrient losses to waters;
- Limiting the conditions for fertilizer application (on steeply sloping ground, frozen or snow covered ground, near water courses, etc.) to prevent nitrate losses from leaching and run-off;
- Providing guidance to farmers on proper water management practices (i.e. irrigation schemes and water conservation);
- Providing guidance to farmers on proper and safe use of pesticides.

As in all European Union countries, organic farming in Greece is supported by the European Union's rural development program. The Greek Action Plan for Organic Agriculture and Organic Products was launched in 2004, aiming at the establishment, reinforcement, and development of the Organic Market. AGROCERT (Agricultural Products Certification and Supervision Organization) is a Private Law Legal Entity operating under the supervision of the Ministry of Rural Development and Food (Law 2637/98). AGROCERT is responsible for the implementation of national policy objectives regarding quality assurance and control in agriculture, including the safeguarding of the environment.

Greek accredited Organic Certification bodies are:

- DIO NET
- BIO-HELLAS S.A.
- QWAYS S.A.
- A-CERT S.A.
- IRIS
- GREEN CONTROL
- GMCERT
- QMS-CERT
- TUV HELLAS
- FILIKI CERT S.A.

### Retailers

There has not been a ground swell for sustainability labeling, but Greek consumers are sensitive to products labeled as organic. With Greece's current economic woes there has been a shift towards cheaper private label organic products introduced by the large retailers (i.e. Dia and Lidl). Dairy products are the most consumed organic products in Greece (24% in 2010), followed by olive oil (18%) and bakery products (14%). The price difference between organic and conventional products remains high (almost 20 percent) and for animal-based products the difference may be up to 100 percent. This is not only because of production issues, but also because the majority of organic products available in Greece are imported. Due to the difficult economic situation consumers are resisting paying premiums for additional certification. The large retailers have effectively introduced recycling programs for paper, glass and aluminum and generally endorse waste prevention.

### Environment

In Greece, the responsible authority for developing, monitoring, and reporting on sustainable development indicators is the National Centre for Environment and Sustainable Development (NCESD), under the supervision of the Ministry for Environment, Physical Planning, and Public Works. The General Framework for Spatial Planning and Sustainable Development (G.F.S.P.S.D), approved by the Greek Parliament in 2008, constitutes one of the most important structural changes over the last decades. G.F.S.P.S.D's goal is to determine the strategies for commercial development of land in a sustainable way, emphasizing cultural heritage, history, and natural environment as tools for development.

### Promising U.S. Products

- Almonds
- Beans and lentils
- Wood products—mainly hardwood lumber (tropical timber, oak, ash, and beech), logs & chips, and panel products including plywood.
- Seafood: cuttlefish, squid, and frozen fish fillet.

## Hungary

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General In Hungary, consumer demand for foods certified sustainable is lower than in nearby countries, such as Austria and Germany. The term is used on food labels but not in a systematic manner. Growth in the sales of sustainable products is constrained by the price sensitivity of most Hungarian consumers. In spite of this, Hungary is a large food and feed producer and much of Hungary's sustainability focus is as a supplier of foods and biofuels to other EU countries.

NGOs and universities have published many papers on sustainability covering mainly the environmental aspects. There is also a lot of crossover between how 'organic' and sustainable foods are treated by academics and consumers.

Government Initiatives In April 2011 the Hungarian Government issued a paper for public debate titled, "The National Concept of Rural Strategy – 2020" – dealing with agricultural, food, environment, and rural development titles. Chapter 4 on "Strategic basic principles, goals, and national programs" devotes an entire subchapter for sustainability: "Sustainable agricultural structure- and production-policy".

As elsewhere in the EU, sustainability criteria and certification for biofuels and feed stock are spelled out in the Renewable Energy Directive and Hungary has transposed the RED into national legislation effective January 2011. The system of certification was finalized in June, 2011. The certifier is the National Food Chain Safety Office (NEBIH), a national technical agency under the Ministry of Rural Development, in cooperation with Hungary's "paying agency," the Agricultural and Rural Development Office (MVH).

Private Initiatives One of the few studies which tried to analyze sustainable agricultural production was a pamphlet of the Grain Producers' Association in 2010.

## Italy

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General: In Italy, sustainability is synonymous with organic. In general, consumer demand for separate "sustainable" food certification is very low. Italians essentially believe that organic is sustainable. Italy has the largest area of organic cropland in the EU and is a major exporter of organic products in Europe. Over 90 percent of Italian organic operators are members of FederBio. During the 1990s, the organic

sector in Italy showed one of the largest average annual growth rates in Europe in terms of land under organic management. Since then, Italy's organic area has grown to around 1 million hectares. Seventy percent of agricultural land in Italy is cropland (permanent and arable crops), and key crop categories are cereals, green fodder from arable land, olives and grapes.

Government Initiatives: As in all European Union countries, organic farming in Italy is supported by the European Union's rural development program. The Italian National Action Plan for organic agriculture and organic products was launched in 2005, and targets global marketing, support and development of organic production and related supply chains, enhanced consumer information, and improved sustainable farming practices and services.

Unlike the organic sector, the Italian government does not currently have any legal requirements when it comes to sustainability. The Government does encourage Italian businesses and farmers to improve environmental standards and act responsibly, and provides financial incentives for local businesses and Regions who wish to apply sustainable farming practices. However, uniform sustainability criteria have not been defined. Recently, the Lombardy region allocated € 4.5 million in favor of Lombard rice growers that apply sustainable farming techniques. The funding is to be used to encourage sustainable rice production, agricultural conservation, with the use of minimal tillage and direct sowing. A total of 44,000 hectares of rice have been set aside for this project. The grant comes from the Italian Ministry of Agriculture's Rural Development Program.

Retailers: Few Italian retailers have started to focus on sustainability and while consumer awareness may be growing, their understanding is still relatively limited. Projects range from creating easily disposable packaging, using recyclable materials, reducing water consumption, increasing photovoltaic systems to supplement energy needs of plants, to using new production technologies that have a lower environmental impact. "Coop" is the most important mainstream Italian retailer, with a turnover of €78 million in 2010, to pitch sustainability. In 2009, Coop started rebranding its organic «Bio-logico» product offering and launched its «Vivi-verde» (live green) private label. The products including organic food and eco-labeled items (detergents, low energy light bulbs, etc.). Next in importance comes the Esselunga chain with its private label range «Esselunga Bio».

Promising U.S. Products: Like Spain, Italy is facing difficult economic times, which is seriously affecting consumer choices and spending. Nonetheless, there are niche opportunities for U.S. sustainable seafood and wood. The promotion of wild Alaskan seafood and sustainable American hardwood can definitely have a cache' among discerning Italian consumers.

## Portugal

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Due to domestic and foreign factors sustainability is increasingly being looked at by the Portuguese food industry. In particular, Portuguese exporters targeting northern European countries are striving to keep updated with the latest market trends and requirements.

Government Initiatives Portugal's 2007-2013 Strategic Plan for Rural Development aims to increase the competitiveness of the farm and forest sectors and to promote sustainability. The Ministry of Agriculture, Sea, Environment, and Spatial Planning (MAMAOT) is responsible for the promotion of

sustainable initiatives and the General Directorate for Agriculture and Rural Development (DGADR) is responsible for regulating sustainable production methods and claims.

The principles sustainable agriculture are defined by law and apply to three different production modes, each with an increasing levels of environmental demand: integrated protection, integrated production, and organic production. The integrity of sustainable agricultural production is preserved through private control and certification (OCC) organization that are recognized by the Ministry of Agriculture (under implementing order 131/2005).

Portuguese products typically produced under sustainability programs include olives and olive oil, beef, goat meat, sheep meat, pork, pastries, fresh fruit, dry fruit, rice, potatoes and sweet potatoes, honey, ham, cheese, sausages. These are also the products most likely to be classified under the European legislation as Protected Designations of Origin (PDO); Protected Geographical Indication (PGI); or, Traditional Specialties Guaranteed Scheme (TSG).

Private Initiatives The quality standards most used by Portuguese food companies are the Global Gap at farm level, the Marine Stewardship Council (MSC) for fishing companies, the ISO 9000 for overall quality management, the ISO 14000 for environmental management, and the British Retail Consortium (BRC) at the processing and retail levels.

Companies and consumers in Portugal also tend to associate organic production with sustainability and the Portuguese Organic Agriculture Association (AGROBIO) is seen as closely tied to sustainability. AGROBIO is a member of the International Federation of Organic Agriculture Movements and is an NGO for agriculture, environment and consumer protection.

## Spain

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General Spain is endowed with a different set of resources than most other EU Member States – the summer climate is hot and dry, water resources are relatively scarce and soil quality is relatively poor in many regions. Spain does, however, have a significant comparative advantage in the production of early vegetables and specialty Mediterranean crops such as citrus and other tree fruits, olives and grapes for wine. A major part of Spain's connection to the theme of 'sustainability' is related to production of foods for northern European markets. The Spanish are quick to equate 'organic' with

sustainability and Spain boasts the EU's largest level of organic production, most of which is exported to other EU countries.

Spain's production of cereals, oilseeds, livestock and dairy products relies heavily on research, innovation and technology to remain competitive. Because of this, 'sustainability' has a complex, if forward leaning meaning in Spain. The concepts of preserving limited natural resources and minimizing environmental degradation are very important.

Equally important, however, is the notion of economic sustainability. Farmers and farm associations want to have a stake in the development of sustainability driven policies so that they don't undermine their competitiveness. Industry and official government leaders in the agricultural sector speak frequently (and vocally) about the environmental benefits of agricultural biotechnology and the import role that innovation and technology must play to achieve truly sustainable agriculture.

#### Government & Non-Profit Initiatives

There are several government organizations dealing with sustainability:

The **Ministry of Agriculture, Food, and Environment (MAGRAMA)** supports the sustainability of the food industry primarily by regulating and promoting differentiated quality products and organic farming in Spain.

**Spanish Sustainability Observatory (OES)** is an independent organization founded in 2005 in cooperation with MAGRAMA, the Biodiversity Foundation, and the University of Alcalá. Its mission is to promote sustainability using the best available information and public participation in the decision making process. Among their publications are indicators for the "[eco-efficiency and evolution of farming](#)" and "[eco-efficiency and evolution of fishing](#)".

The **Technology Center for Sustainable Agriculture** works in collaboration with the [Kerr Center for Sustainable Agriculture](#) in the United States to develop indicators to measure sustainability. There are currently no officially recognized certification schemes for sustainability in Spain. The Center hopes to harmonize the measurement of sustainability in farming at the European level. To that end they recently presented the report on [Sustainability in Spanish Agriculture and Animal Production](#) to the European Parliament. In a second stage, they will develop an IT application for farmers to measure sustainability in their own farms. Following this second stage - where sustainability is measured farm by farm - it is hoped that certification schemes will emerge and become widely used.

The **Spanish Organic Agriculture Society** (Sociedad Española de Agricultura Ecológica / Sociedad Española de Agroecología - [SEAE](#)) "gathers the efforts of farmers, technicians, scientists and other people oriented towards the development of sustainable agricultural production systems based on the ecological and socio-economic principles promoted by the Organic Agriculture movements". It promotes a number of projects, some with EU support, to expand the use of organic farming practices in Spain.

**INTERECO** is a non-profit organization formed in 1999 representing the Autonomous Communities' Organic Farming Committees/Councils, which are in charge of the control, promotion, and certification of products from organic agriculture. This group also promotes organic agriculture and provides training.



Private Initiatives Supermarket chains regularly offer shelf space for organic and fair trade products. For instance, Carrefour is trying to position itself as the main eco-friendly grocery retailer in Spain, including through its private label, Eco-Planet.

Promising U.S. Products Despite Spain's overall economic difficulties, there are still opportunities for targeting consumers who are less price-sensitive and inclined to buy products that are marketed as environmentally or socially conscious. Seafood is a good example, as the depletion of marine resources is a significant issue in the Mediterranean Sea and Atlantic Ocean coastal areas. Spain and Portugal rank among the world's leading seafood consumers on a per capita basis and the concern about sustainability in this sector is increasing. The promotion of sustainable, wild Alaskan seafood is a great example of U.S. producers, exporters and the Alaskan Seafood Marketing Institute meeting consumer expectations for sustainable products.

Other consumer products with market potential include coffee, chocolate, sugar, snack foods and products not produced locally but with high presence in fair trade shops and organic supermarkets.

- High quality fish and seafood
- Snack foods and processed products - including cereal bars, breakfast cereals, cookies, tortilla chips, sauces and dressings.
- Pet foods

## United Kingdom

### *Sustainability Fact Sheet for U.S. Food and Agricultural Exporters*

General The United Kingdom (UK) is a small and densely populated island where agricultural practices are heavily scrutinized. Issues such as climate change, water scarcity and population growth are all considered to have a significant impact on the long term security of supply. The UK government strongly encourages sustainable food production and argues that this enhances the competitiveness and resilience of the whole food chain, including farm, fish, forestry and food industries. Sustainable production as an ideal, for both domestic and imported goods, has quickly gained traction. It is now accepted as a clear business principle and is embedded in much of British industry.

#### Government Initiatives

In 2008, the UK government introduced a long-term legally binding framework to tackle climate change and transition towards "a low-carbon economy". The Climate Change Act requires that greenhouse gas (GHG) emissions are reduced by at least 80% by 2050, compared to 1990 levels. The Act also introduces legally binding carbon budgets, which set a ceiling on the levels of greenhouse gases that can be emitted into the atmosphere.

The UK government published guidance for UK businesses and organizations on how to measure and report GHG emissions in 2009, and since then have been working with different industry sectors (such as dairy) to explain the methodology and develop "road maps" for GHG reduction. Initiatives in the food manufacturing and grocery retail sectors have followed.

In order to gather information on whether the Climate Change Act targets are being met, from April 2013, all businesses listed on the London Stock Exchange will have to report their levels of GHG emissions. The UK is the first country to make it compulsory for companies to include emissions data for their entire organization in their annual reports. The regulation will be reviewed in 2015, when a decision will be taken whether to extend the approach to all large companies from 2016.

Already ubiquitous in most major UK food supply chains, sustainability reporting is the current focus in the UK, as companies gear up to comply with this forthcoming requirement.

Overall Climate Change policy falls within the remit of the [Department of Energy and Climate Change](#)

However, environment, farming, fishery and food policy is covered by the [Department for Environment, Food and Rural Affairs \(Defra\)](#)

A considerable part of Defra's mission is to support and develop British farming, and actively encourage sustainable food production. This is Defra's Business Plan for 2012:

<http://www.defra.gov.uk/corporate/about/what/>

Their priority areas of work include:

- Improving the productivity and competitiveness of food and farming businesses, with better environmental performance
- Negotiating a smaller, simpler, greener Common Agricultural Policy
- Negotiating a reformed Common Fisheries Policy to support sustainable fish stocks, a prosperous fishing industry and a healthy marine environment
- Implementing an effective and efficient animal health and welfare system

Defra is developing policies to encourage sustainable public purchasing, and has commissioned research into how change in consumer behavior might be achieved with regard to changing purchasing decisions to favor environmental awareness, see:

<http://www.defra.gov.uk/environment/economy/products-consumers/>. In conjunction with other government departments Defra supported the development of the PAS2050 Life Cycle Analysis (LCA) methodology to enable business to measure the carbon footprint of product and services in a consistent way. The Carbon Trust was the vehicle by which this was achieved, set-up originally with government help. It now is a consultancy helping businesses, governments and the public sector to accelerate the move to a low carbon economy through carbon reduction, energy-saving strategies and commercializing low carbon technologies (<http://www.carbontrust.com/home>).

Defra's marine fisheries policy aims to achieve clean, healthy, safe, productive and biologically diverse oceans and seas. Information on marine fisheries policy can be found at: <http://www.defra.gov.uk/food-farm/fisheries/marine/>

In July 2012 Defra published its conclusions to the Green Food Project (<http://www.defra.gov.uk/publications/files/pb13794-greenfoodproject-report.pdf>), a joint initiative between Government, industry and environmental partners that

examined the two broad, and potentially conflicting, objectives of increasing food production and improving the environment in England. This project was a response to a Natural Environment White Paper published in 2011: <http://www.defra.gov.uk/environment/natural/whitepaper/>

### Private initiatives

Sourcing of sustainable products has become one of the most high-profile issues for the food industry and a source of competition. The sustainability agenda in the UK has been largely driven by voluntary commitments, although mandatory sustainability reporting for London Stock Exchange listed companies from April 2013 has now brought the issue to the fore.

Retailers have led the way in a number of sustainability initiatives, such as reduction of waste and energy in the supply chain, along with responsible procurement practices. There is a clear commercial incentive to drive wastage out of the supply chain and to reduce the costs of inputs such as energy. However, retailers are seeking to get ahead of any forthcoming legislation/enhance their reputations by making even greater commitments to the public, by addressing issues such as food waste and consumer behavior to improve sustainability as a whole.

Retailers report that their customers are increasingly aware of where their food and household products come from, and expect them to exert a positive influence on the firms and farmers in their supply chain. The term “choice editing” is often used in this discussion to convey the power that retailers may exert to list products with certain credentials.

UK retailers have made a commitment to provide quality products at a “fair price” that is better for animals, farmers, growers and workers involved. They argue that this is done in a variety of ways such as sourcing ethically and sustainably, working closely with suppliers, supporting British and regional farmers and supporting Fairtrade.


The **British Retail Consortium (BRC)** (<http://www.brc.org.uk>) is the lead trade association representing the whole range of retailers, from the large multiples and department stores through to independents, selling a wide selection of products through centre of town, out of town, rural and virtual stores.



The BRC has created an in-house Environment Policy Action Group and is currently working on the following:

- BRC climate change initiative, A Better Retailing Climate
- Waste Electrical & Electronic Equipment Directive
- Carbon Reduction Commitment
- Reducing packaging and food waste
- The On-Pack Recycling Label ([www.oprl.org.uk](http://www.oprl.org.uk))
- Waste Prevention and Recycling for customers, suppliers and owned operations.

- Climate change adaptation
- The Eco-design Directive, including Energy Using Products (EuP) and Energy Labeling Regulations
- Reductions of carrier bags distributed and the introduction of a charge on carrier bags in Wales

Major supermarket chain initiatives:

| Retailer  | Initiative   | Main points   |
|---|--|---|
|    | <a href="#">Corporate Responsibility</a>               | <p>Pledged to be a low carbon business by 2020 and a zero-carbon business by 2050</p> <p>Committed to zero net deforestation by 2020</p> <p>Carbon footprinted over 1,000 (and labeled over 500) private label products</p>   |
|  | <a href="#">20 (goals) by 2020 Sustainability Plan</a> | <p>By 2020:</p> <ul style="list-style-type: none"> <li>- source all key raw materials and commodities to an independent standard</li> <li>- zero net deforestation in private label products</li> <li>- all fish will be independently certified as sustainable</li> <li>- Fairtrade to grow to £1 billion in sales</li> <li>- amount of British food sold to double</li> <li>- all meat, poultry, eggs, and dairy will be sourced from suppliers who adhere to independently verified higher welfare standards</li> <li>- recently launched a supplier environmental scorecard to track and measure supplier environmental footprints</li> <li>- working with suppliers to reduce GHG emissions and improve social and environmental record</li> </ul> <p>Currently 12 percent of private label products are from certified sources such as MSC, Fairtrade and RSPCA Freedom Foods</p> |

|   |  |   |
|---|--|---|
|  | <p><a href="#">Sustainability Strategy</a></p> | <p>Reduce carbon footprint in absolute terms year-on-year</p> <p>Develop sustainable beef program with clear targets</p> <p>Sell only sustainable fish</p> <p>Approach is directed by its membership of the <a href="#">Sustainability Consortium</a></p> |
|  | <p><a href="#">Plan A</a></p>                  | <p>5 main pillars:</p> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Waste</li> <li>Sustainable Raw Materials</li> <li>Fair Partner</li> <li>Health and Wellbeing</li> </ul>   |

**The Food and Drink Federation** is the lead trade association representing the UK food and drink manufacturing industry.

Programs: Five Fold Ambition - [http://www.fdf.org.uk/environment\\_progress\\_report.aspx](http://www.fdf.org.uk/environment_progress_report.aspx)

This program sets targets to cut GHG emissions, send zero waste to landfill, reduce environmental impacts of packaging, boost water efficiency, reduce transport miles, and source commodities sustainably. Considerable progress has been made since its inception in 2007.

More information on manufacturers programs can be found at: <http://www.fdf.org.uk/>

**Institute of Grocery Distribution (IGD)** is a non-profit organization whose members are derived from every level of the UK grocery supply chain. They have recently published a free guide for food businesses to help them understand the importance of reducing emissions: <http://www.igd.com/index.asp?id=1&fid=1&sid=5&cid=2464>

**Forum for the Future** is an independent non-profit organization working globally with business and government to create a sustainable future (<http://www.forumforthefuture.org/>).

**The Soil Association** is the UK's largest organic trade body. [Soil Association Certification](#) is a wholly owned subsidiary of the organization. It carries out inspections and awards organic certification to farms and businesses that meet their standards. Their symbol and certification number will be found on most organic produce. They are the most experienced organic certifier in the UK and license about 80% of the organic food on sale in the United Kingdom.

Sustainability criteria: The Soil Association organic standards use the EU organic regulation as a baseline. In many cases their standards go beyond that required set by EU regulations (<http://www.soilassociation.org/>).

Examples of Label Symbols found in the UK:



**Soil Association** (see above)

**RSPCA Freedom Food:** labeled meat, eggs, dairy products assuring the product has come from animals reared, transported, and slaughtered in accordance with RSPCA welfare standards. Ethical standards from farm to abattoir; covers both indoor and outdoor rearing systems.

**Fairtrade** helps producers in developing countries and ensures that some money from the sale of their product is returned to them.

**Marine Stewardship Council** is an independent non-profit organization which sets a standard for sustainable fishing. **Aquaculture Stewardship Council** certifies farmed fish and shellfish as sustainable to their standards. However, several retailers have their own language to indicate the provenance of their fish that normally involves the wording “responsibly sourced”.

**Carbon Reduction Label** – Carbon Trust Certification Ltd provides independent verification of the carbon footprints of products and services, certified against PAS2050.

Examples of ‘sustainable’ products sold in UK

Tea, Coffee, Herbs and Spices, Nuts, Cotton, Fresh Fruit, Honey, Cereals, Animal feed, Timber, Seafood.

Promising U.S. Products

Sustainability credentials on their own are unlikely to guarantee entry to the UK market. However, UK customers will expect or request information on Life Cycle Analysis and provenance as part of any commercial decision to list the product.

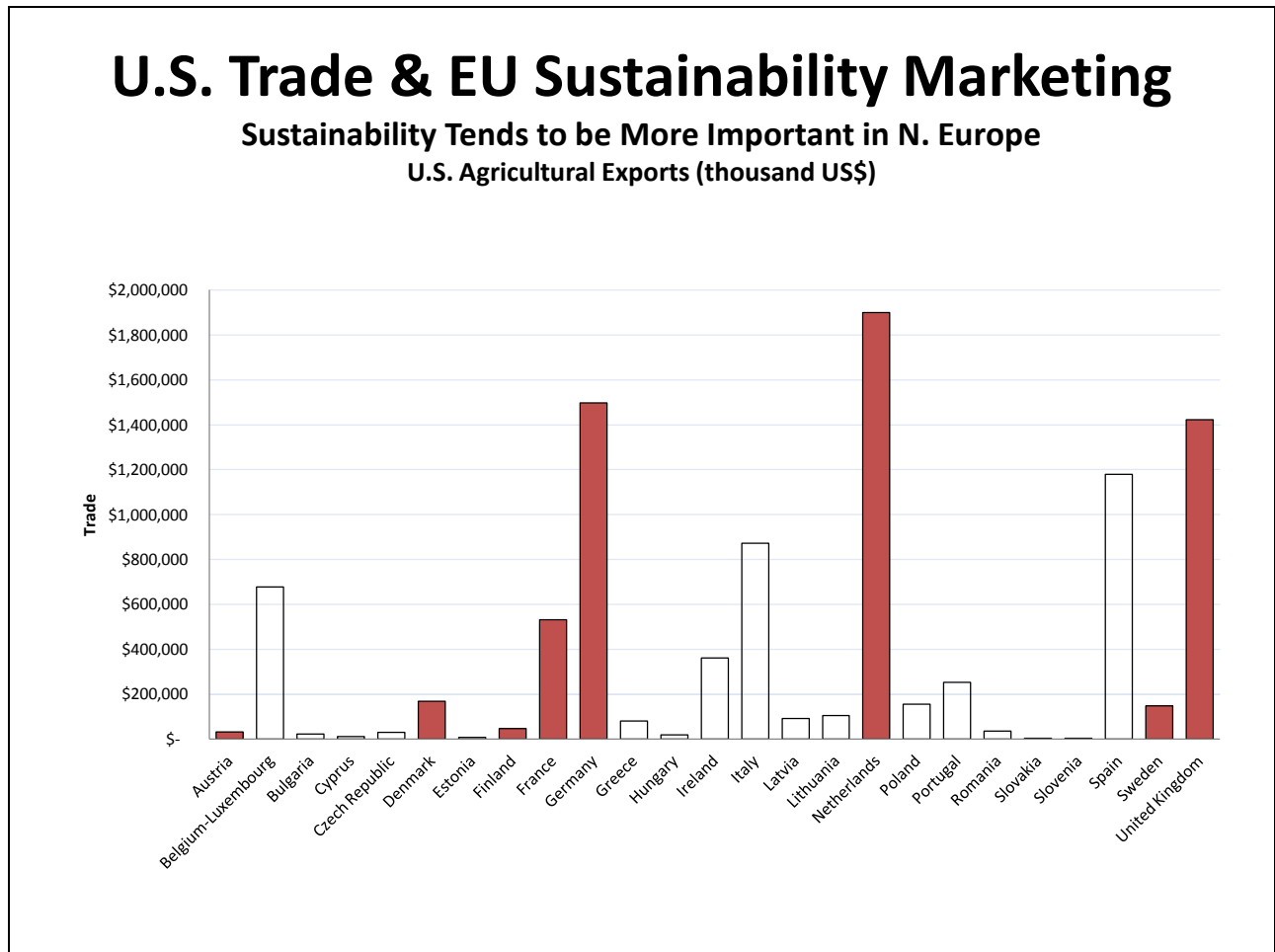
U.S. products that could effectively trade on sustainability credentials include:

- Animal feed
- Seafood
- Fruit and vegetables

- High quality beef
- Nuts
- Rice
- Wine
- Organic products
- Forestry products
- Cotton and other fibres

### **Attachment B – Importance of Sustainability Marketing & U.S. Ag Exports to EU**

The following chart shows U.S. agricultural exports to the EU by country, highlighting in red the countries where USDA/FAS field offices feel sustainability marketing is an issue of significant importance.



### Attachment C – Related Reports

**Spain's National Biofuels' Sustainability Scheme | Biofuels | Madrid | Spain | 9/3/2012**  
 The Royal Decree 1597/2011 published on November 5, 2011 transposed articles 17 to 21 from the Renewable Energy Directive. As stated by the transitory provision of the Royal Decree, starting in January 2013, biofuels marketed must be sustainable in order to be eligible to count against the consumption targets. On July 26, 2012 the CNE approved a draft proposal on the implementing details of the national sustainability verification system. The Consultative Council for Hydrocarbons members are ...  
[Spain's National Biofuels' Sustainability Scheme Madrid Spain 8-20-2012](#)



|  |
|--|
| <p><b>  Spain's Bioethanol Standing Report   Biofuels   Madrid   Spain   9/24/2012</b></p> <p>This report provides an overview of Spain's bioethanol sector including Member State specific policy, production supply and demand data. Spain is among the four top EU-27 Member States in terms of bioethanol production capacity and consumption. While self-sufficient in bioethanol, Spain has to import annually between 9 and 13 million MT of grains to meet robust the livestock sector and bioethanol industry needs, which accounts for over one million MT of grains use. Starting January 2013, biof...</p> <p><a href="#">Spain's Bioethanol Standing Report Madrid Spain 8-29-2012</a></p>  |
| <p><b>  The German Food Retail Market   Retail Foods   Berlin   Germany   8/20/2012</b></p> <p>Germany is by far the biggest market in the European Union with good prospects for U.S. food products like tree nuts, wine, processed fruits and vegetables, fruit juices and others. The food retail market is fairly consolidated with discounters dominating the market. Food marketing trends in Germany show an increase in private labels and in demand for convenience, health, sustainable, wellness, and new innovative as well as luxury products.</p> <p><a href="#">Retail Foods Berlin Germany 7-31-2012</a></p>   |
| <p><b>  In France, economic drivers favor acceptance but policy decisions favor resistance to biotechnology   Biotechnology and Other New Production Technologies   Paris   France   7/16/2012</b></p> <p>This report describes the trade, production, research and policy of genetically engineered plant and animal products in France. Hostility remains in France towards biotechnology among policy makers, the public opinion and non government organizations, while farmers and scientists are increasingly vocal about the need to adopt the technology to make French agricultural practices both more productive and more sustainable.</p> <p><a href="#">Agricultural Biotechnology Annual Paris France 6-14-2012</a></p>                |
| <p><b>  The Benelux Food Retail Market   Retail Foods   The Hague   Belgium [without Luxembourg]   7/2/2012</b></p> <p>The turnover of the Benelux food retail industry for 2011 is estimated at € 56.3 billion. For 2012, turnover is expected to increase by 2.5 percent. The retail market is fairly consolidated. Top 3 food retailers in the Netherlands have a market share of 64 percent while in Belgium the leading 3 retailers have 72 percent of the market. Sustainable food (including organic products) is one of the most important growth markets in food retail. The market share for private label products continue...</p> <p><a href="#">The Benelux Food Retail Market The Hague Belgium [without Luxembourg] 6-27-2012</a></p> |
| <p><b>  Romania completed the RED transposition process   Biofuels   Bucharest   Romania   5/9/2012</b></p> <p>Romania finalized transposition of the Renewable Energy Directive 2009/28 into national legislation with the latest order that describes certification process and documentation requirements attesting that the biomass observes sustainability criteria.</p> <p><a href="#">Romania completed the RED transposition process Bucharest Romania 5-2-2012</a></p>  |
| <p><b>  Portugal Biofuels Standing Report   Biofuels   Madrid   Portugal   3/12/2012</b></p> <p>There is no production of bioethanol for transport fuel in Portugal. Biodiesel production is dependent on diesel sales under a blending quota system and stands currently at around 340,000 MT per annum. Portugal transposed the Renewable Energy Directive in 2010 but the emission of Biofuel Entitlements (TdB) will only be dependent on the compliance with sustainability criteria from next 1 January 2013.</p> <p><a href="#">Portugal Biofuels Standing Report Madrid Portugal 3-7-2012</a></p>  |
| <p><b>  Bio-Fuels, Livestock and Products, Oilseeds and Products, Trade Policy Monitoring, Climate Change   The Hague   Netherlands EU-27   2/3/2012</b></p> <p>During the last decade, the European retail sector has increasingly sourced sustainably produced food products. At the same time, food processors stepped into this market and increased their sourcing for sustainably produced raw materials. In this report, the movement towards sustainability in three commodity markets is briefly outlined, namely the biofuels market, the soya market and the market for meat products.</p> <p><a href="#">Sustainability in the EU Commodity Markets The Hague Netherlands EU-27 1-31-2012</a></p>  |
| <p><b>  An Overview on the Austrian Food Processing Sector   Food Processing Ingredients Sector   Vienna   Austria   1/11/2012</b></p> <p>The Austrian food processing industry plays a major role in the Austrian economy. The food processing industry serves a market of 8.3 million people and represents the fifth largest industrial sector within all Austrian industrial processing sectors. Total sales in 2010 were \$ 9.3 billion compared to \$ 7.3 billion in 2001. U.S. products with good prospects include tree nuts, wine, pet foods, processed fruits and vegetables, fruit juices, snack foods, convenience foods as well as health, organ...</p> <p><a href="#">Food Processing Ingredients Vienna Austria 1-5-2012</a></p>      |
| <p><b>  Road Map to the Austrian Market   Exporter Guide   Vienna   Austria   12/28/2011</b></p> <p>Despite the sharp recession in 2009, expenditures on food and non-alcoholic beverages showed a growth of 6.6 percent during the 2008 to 2011 period. Although foods and beverages from Austria, Germany, and other EU countries dominate Austrian retail shelf space, there are good market opportunities for U.S. products, particularly at the upper end of the market. Consumer oriented food and beverage products remain the most important agricultural imports from the United States. In 2010, the consum...</p> <p><a href="#">Exporter Guide Vienna Austria 12-16-2011</a></p>   |
| <p><b>  Bio-Fuels   Stockholm   Sweden   12/1/2011</b></p> <p>Starting February 1, 2012, a Sustainability Decision from the Swedish Energy Agency is required for biofuels in order to be eligible for tax incentives or to count for mandatory national renewable energy targets in Sweden.</p> <p><a href="#">Swedish Sustainability Certification for Biofuels Stockholm Sweden 11-29-2011</a></p>  |

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|---|
| <p><b>  Wood Products, Agriculture in the Economy   Warsaw   Poland   10/18/2011</b></p> <p>In EU forests are valued as important as farmland in providing public goods. Rural Development Programs support the sustainable management of existing forests and creation of new forest lands. The largest suppliers of forest timber in the EU are Sweden, Germany, France, Finland and Poland. Polish State Forests forecast 2011 volume removals at 34.2 million CUM. Forecasts for 2020 and 2030 suggest that this area, in terms of economic development, will increase from the current 51 percent to 58...</p> <p><a href="#">Forestry situation and solid wood products in Poland Warsaw Poland 10-12-2011</a></p>  |
| <p><b>  France and Biotechnology - Changing Perspectives   Biotechnology and Other New Production Technologies   Paris   France   8/18/2011</b></p> <p>France is famous for its hostility for plant biotechnology, with a national ban on genetically-engineered corn imposed since 2008, and the over-cautiousness of regulatory authorities which generally consider more the potential risks than the recognized benefits of the technology. However, France remains a major importer of biotech products to feed livestock and poultry, and both public and private research is moving forward in plant biotechnology. Moreover, the recent Agricultural Ministerial ...</p> <p><a href="#">Agricultural Biotechnology Annual Paris France 7-15-2011</a></p>  |
| <p><b>  Paris - Innovation and Plant Biotechnology to Address Food Security   Biotechnology, Biotechnology and Other New Production Technologies, Food Security, Agriculture in the News   Paris   France   7/18/2011</b></p> <p>Research and innovation in agriculture to address food security challenges were top priorities set by the G20 agricultural ministerial declaration agreed on in Paris on June 23, 2011, under the French Presidency of the G20. These were all in line with the messages of two meetings that took place in the Paris a few days earlier: the June 14 seminar organized by FAS/Paris on "Agricultural Innovation for Achieving Food Security" and the "Agricultural Knowledge Systems: Responding to Global Food Se...</p> <p><a href="#">Paris - Innovation and Plant Biotechnology to Address Food Security Paris France 7-13-2011</a></p> |
| <p><b>  Biotechnology, Biotechnology and Other New Production Technologies, Climate Change, Food Security   Paris   France   5/25/2011</b></p> <p>Despite its reputation as an anti-biotechnology country, there are many in France considering plant biotechnology as a tool to address global needs and challenges in terms of climate change, food security, energy needs, and sustainable agriculture. The recent visit of Dr. Roger Beachy, Director of USDA's National Institute for Agriculture (NIFA), was an opportunity to let the "quiet ones" express themselves. From collaboration between national French and U.S. national research institutes, to p...</p> <p><a href="#">Chief USDA Scientist Gets Scientific View of Biotechnology in France Paris France 5-17-2011</a></p>  |
| <p><b>  Bio-Fuels, Oilseeds and Products, Grain and Feed   Berlin   Germany   4/8/2011</b></p> <p>This report provides answers to some FAQs regarding the sustainability certification in Germany, including costs, participation by German farmers, and impact on U.S. soybean and biofuel exports.</p> <p><a href="#">FAQs on Biofuel Sustainability Certification in Germany Berlin Germany 04-01-2011</a></p>   |
| <p><b>  Oilseed, Soybean (Local), Meal, Soybean   Rebound of EU-27 Oilseeds Production   Oilseeds and Products   Berlin   EU-27   4/12/2011</b></p> <p>The rebound to average yields and an almost flat area leads to expectations of an increased EU-27 oilseeds production of about 1.5 percent in MY 211/12 reaching some 29.4 MMT. Along with the growing production crush of oilseeds is anticipated to rise accordingly. Ample supplies of soybean meal in North and South America are forecast to increase soybean meal imports which will be absorbed by the feed demand of the growing poultry sector. After a decline of total oilseeds oil use for biodiesel ...</p> <p><a href="#">Oilseeds and Products Annual Berlin EU-27 4-4-2011</a></p>   |
| <p><b>  Food Security, Climate Change, Biotechnology and Other New Production Technologies, Organic Products   London   United Kingdom   3/24/2011</b></p> <p>The UK government has released a much anticipated report that calls on policy makers around the world to transform the food system and effect radical change 'on industrial revolution scale'. The report is the culmination of a two-year study, involving 400 experts from 35 countries, and is much more forthright than ever before on contentious agriculture and food topics. Support for new technologies is upfront, as is the need to promote sustainable intensification of production, and for develop...</p> <p><a href="#">The UK's forthright Foresight Report London United Kingdom 1-28-2011</a></p>  |

## Attachment D - Abbreviations Used

|       |   |
|-------|---|
| ADEME | French Environment and Energy Management Agency |
| AEM   | Agro-environmental measures                     |

|         |   |
|---------|---|
| AFNOR   | French Food Standard Agency                                     |
| BMELV   | German Ministry of Food, Agriculture and Consumer Protection    |
| BRC     | British Retail Consortium                                       |
| Defra   | UK Department for Environment, Food and Rural Affairs           |
| DG      | Directorate General   |
| EC      | European Commission   |
| EISA    | European Initiative for Sustainable Development in Agriculture  |
| EU      | European Union  |
| FARRE   | Forum for Integrated Farming Respecting Environment             |
| FAS     | Foreign Agricultural Service                                    |
| GE      | Genetically engineered  |
| GHG     | Greenhouse gas  |
| MAGRAMA | Spanish Ministry of Agriculture, Food, and Environment          |
| NEBIH   | Hungarian National Food Chain Safety Office                     |
| NGO     | Non-governmental organization                                   |
| MVH     | Hungarian Agricultural and Rural Development Office             |
| OES     | Spanish Sustainability Observatory                              |
| RED     | Renewable Energy Directive                                      |
| RSPCA   | The Royal Society for the Prevention of Cruelty to Animals (UK) |
| SEAE    | Spanish Organic Agriculture Society                             |
| UK      | United Kingdom  |
| UN      | United Nations  |
| USEU    | United States Mission to the European Union                     |
| WWF     | World Wild Life Fund  |